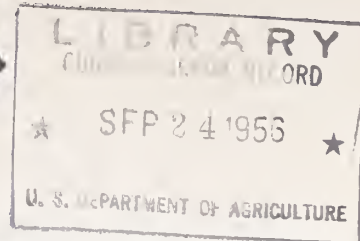


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Foreign

CROPS AND MARKETS



VOLUME 73

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FOREIGN CROPS AND MARKETS

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GREEK TOBACCO
EXPORTS DOWN

Exports of Greek leaf during the first half of 1956 totaled 30.4 million pounds, and were 7.7 million pounds less than in the same period of 1955. Shipments to West Germany and the United States, the principal markets in recent years, declined .1 and 1.3 million pounds, respectively, from the comparable period last year. Shipments to the Soviet bloc were also 1.2 million pounds below the January-June 1955 level of 5.4 million pounds. The increased consignments to the Soviet Union, Czechoslovakia, and Poland were not sufficient to offset the reduced shipments to East Germany and Hungary. Other countries which reduced their takings of Greek leaf included Egypt, Belgium, Switzerland, Italy, Portugal, France and the Netherlands. Combined exports to these latter countries totaled only 3.2 million pounds as compared with 10.5 million pounds last year. Exports to Austria, on the other hand, rose by .8 million pounds to 3.2 million pounds and those to Finland from 1.5 to 2.2 million pounds, while the consignment of .9 million pounds to Communist China is of interest as previous exports of Greek tobacco to the Far East have generally been insignificant.

GREECE: Exports of unmanufactured tobacco,
January-June 1956, with comparisons

Country of Destination	: January-June : : 1954 :	January-June : : 1955 :	January-June : : 1956 :
	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
	:	:	:
United States.....	5,304	: 8,405	: 7,114
West Germany.....	10,082	: 8,402	: 8,317
East Germany.....	2,647	: 1,920	: 1,333
France.....	4,094	: 2,760	: --
Austria.....	2,995	: 2,468	: 3,234
Egypt.....	1,219	: 2,073	: 1,322
Soviet Union.....	4,920	: 1,427	: 2,019
Belgium.....	86	: 1,695	: 590
Switzerland.....	209	: 1,080	: 554
Finland.....	2,379	: 1,547	: 2,212
Hungary.....	961	: 2,133	: 567
Other.....	7,481	: 4,097	: 3,154
	:	:	:
Total.....	42,377	: 38,007	: 30,416

Exports of Greek leaf during the remaining 6 months of 1956 are expected to exceed the 83.3 million pounds exported during July-December 1955, in view of the extended and new agreements containing larger quantities of tobacco, and the 1955 record crop of 223 million pounds.

BELGIAN TOBACCO IMPORTS UP 2.6 PERCENT

Imports of unmanufactured tobacco by Belgian manufacturers during the first 3 months of 1956 totaled 11.9 million pounds--up 2.6 percent from the 11.5 million pounds imported during the corresponding period of 1955. Most of the increase occurred in larger takings from the United States, India, Greece and the Dominican Republic. Imports from Turkey, Brazil, Indonesia and Paraguay show a decline from the January-March 1955 levels.

BELGIUM: Imports of unmanufactured tobacco during the
January-March periods, 1955-56

Country of Origin	January-March 1955	January-March 1956
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States.....	4,748	4,940
Turkey.....	775	597
Greece.....	1/	407
Indonesia.....	755	492
Dominican Republic.....	739	889
Brazil.....	823	796
Paraguay.....	418	1/
India.....	190	234
Netherlands 2/.....	285	362
Other.....	2,772	3,089
Total.....	11,505	11,806

1/ If any, included in other. 2/ Re-exports.

Source: Bulletin Mensuel Du Commerce Extérieur De L'union Economique
Belgo-Luxembourgeoise, March 1956

TAIWAN'S OUTPUT OF TOBACCO PRODUCTS CONTINUES UPWARD

Output of tobacco products in Taiwan (Formosa) during the first quarter of 1956 totaled about 6.1 million pounds as compared with 5.5 million pounds produced during the comparable period of 1955. Cigarette output totaled 2.7 billion pieces and was 10 percent above the January-March 1955 level of 2.5 billion. Though small in the total aggregate, production of cigars and pipe tobacco was 44 and 25 percent, respectively, above the January-March 1955 levels.

RENEWED FRANCE-GREECE TRADE AGREEMENT INCREASES TOBACCO

The Trade Agreement between France and Greece has been reportedly extended for another year. The new agreement is valid from July 1, 1956 through June 30, 1957. The new agreement increases the quota of Greek leaf, as one of the items to be exported to the French monetary zone in exchange for French commodities, from 9.1 to 9.3 million pounds. Greece's leaf exports to the French monetary zone during 1955 and 1954 amounted to 13.5 and 11.6 million pounds.

PORTUGUESE OUTPUT OF TOBACCO PRODUCTS RISES

Output of tobacco products in Portugal during the first quarter of 1956 totaled 2.9 million pounds as compared with 2.7 million pounds produced in the comparable period of 1955. Cigarette output was about 15 percent above the January-March 1955 level of 2.2 million pounds and represented 85 percent of total output. Output of all other products continued its gradual decline.

NEW PAKISTAN-FRANCE TRADE AGREEMENT INCLUDES TOBACCO

A new Trade Agreement has been signed between Pakistan and France, according to a recent report. The purpose of the new trade pact is to facilitate commercial relations and to develop trade between the two countries. The new agreement is valid from July 1, 1956 through June 30, 1957, and includes Pakistani tobacco as one of the items to be exported to the French monetary zone in exchange for French goods.

MALAYAN OUTPUT OF TOBACCO PRODUCTS UP

Output of tobacco products in the Federation of Malaya during January-March 1956 totaled 2.2 million pounds--up 13 percent from the 1.9 million pounds produced during the comparable period in 1955. Cigarette output was up 16 percent and continues to represent an increasing proportion of total output. Production of cigars, including cheroots, and smoking tobacco was also up 14 and 9 percent, respectively, above the January-March 1955 levels.

MALAYA: Output of tobacco products, January-March 1956,
with comparisons

Period	Cigarettes	Cigars and Cheroots	Smoking Tobacco	Total
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Annual:				
1953 1/.....	1,585	182	590	2,357
1954.....	3,403	2,330	3,073	8,806
1955.....	3,057	1,925	2,636	7,618
January-March:				
1955.....	763	484	667	1,914
1956.....	886	550	730	2,166

1/ July-December only. Data prior to July 1953 not available.

Source: Malayan Statistics, April 1956

SOVIET UNION HAVING DIFFICULTY IN HARVESTING GRAIN CROPS

Harvesting difficulties in the Soviet Union are reducing prospects for a good outturn of small grains. The yields were reported particularly good in the spring wheat belt beyond the Volga and the Urals, where a large expansion of acreage has taken place on virgin and long uncultivated land during the past 2 years. This area suffered from a severe drought and crop failure last year. Delays in harvesting in many of these regions this year resulted in considerable losses from ripe grain left standing in the fields, or cut and unthreshed in windrows. There were reports of grain on many collective farms remaining in the windrows for almost a month. Inclement weather and inadequate storage facilities are adding to the harvesting difficulties and threaten to inflict much damage on the crop.

Considerable winter kill of wheat and rye in the European part of the country necessitated extensive replanting, mostly with barley and corn. Crops in many of these regions received a late start in the spring. Rains during the summer caused much lodging and shattering of grain in the area and seriously interfered with harvesting. A total area of 200 million acres of small grains and legumes had been cut by September 1. However, at this fairly late date grain remained uncut on 87 million acres, an area 37 million acres larger than the total U. S. harvested wheat acreage. In addition, grain covering an area of more than 25 million acres was reported as remaining in windrows unthreshed.

Because of the shortage of combines relative to the enormous acreage under grain, windrowing was widely introduced this year by Soviet authorities. (At the beginning of 1955, there were 337,000 combines in the Soviet Union as against 980,000 on farms in the United States, while the Soviet area under the 4 principal small grains, wheat, rye, barley and oats, was almost $2\frac{1}{2}$ times as large as in the United States. Combines are even moved from the southern region to Siberia, since the harvest is usually completed in the south before it begins in Siberia.) Although it is a more expensive operation than straight combining, windrowing with subsequent threshing by combine, equipped with a special pick-up attachment, has been favored by the Soviet government because it permits earlier cutting before the grain is fully ripe. Thus, more time is allowed for harvesting, which should help to diminish the usual large crop losses in Soviet collective agriculture. Yet, heavy losses are also likely to occur under this system when threshing is delayed, as is the case in the Soviet Union this year.

Harvesting has always been a bottleneck in Soviet collective agriculture, characterized by much mismanagement of mechanical equipment and labor, including the sizable manpower from cities especially mobilized for the harvest, as was the case this season. The current harvesting difficulties were aggravated by the increased acreage in the east and inclement weather in many regions.

BRAZIL INCREASES MINIMUM PRICES TO FARMERS

Guaranteed minimum prices for Brazilian agricultural commodities for the 1956-57 crop year have been increased over those for last season by a decree published August 10, 1956 in the *Diario Oficial*. Average increases are: Rice, 20 percent; beans, 27 percent; corn, 28 percent; and peanuts, 12 percent. Support prices of all crops except wheat were increased. Sunflowerseed received the greatest increase, or an increase of 50 percent. This year the minimum prices to be in effect during 1957 were published much earlier than usual in order to assure a greater stability in agricultural activities as well as to protect both producers and consumers against speculation. Although farmers are generally satisfied with the increases given, some believe that they should have been greater because of the steady rise in freight rates and other costs that have taken place during the past year. Minimum prices for cotton were not included in the decree, presumably because of existing arrangements between the exporters and the Foreign Trade Department of the Bank of Brazil that guarantees shippers a minimum price for lint.

THAILAND'S RICE EXPORTS BELOW A YEAR AGO

Thailand in the first half of 1956 exported 605 million pounds of milled rice, including "rice flour," as compared with 710 million pounds in the same period of the year before. Over half of the total exports were to the British territories, principally Singapore, Malaya and Hong Kong. Sharply reduced exports to Japan were offset to some extent by heavy shipments to Indonesia as compared with none to that country in the first half of 1955. A listing of the Thailand milled rice exports by country of destination is given in the table on the following page.

Prices of Thai rice in the second quarter of 1956 rose substantially, with better grades of white rice increasing from as much as 25 to 38 cents per 100 pounds. Exporters seemed confident prices would remain strong.

Export prices at the end of June 1956, with comparable prices as of August 1, 1955, shown in parentheses (in dollars per 100 pounds) were quoted as follows: white rice, 100 percent, 6.98-7.37(6.75); 5/7 percent Government Standard, 6.60 (6.37); 10/12 percent G. S., 6.48 (6.11); 15/17 percent G. S., 6.35 (5.99); 25/28 percent G. S., 6.10 (4.94); 40/45 percent G. S. 5.97 (4.73); 45/50 percent G. S.; 5.94 (4.58); coarse brokens, Al Special, 3.91 (3.67); and Fine brokens C-1 Ordinary, 3.30 (2.96). It is noted that the greatest price advances in the above prices occurred in rice containing the largest proportions of broken rice.

THAILAND: Milled rice exports,^{1/} by country of destination,
January-June 1956, with comparisons

Country of destination	1953	1954	1955		1956	
			Total	Jan.-June	Jan.-March	Jan.-June
Metric tons						
U.K. Br. Territ.						
Malaya.....	306,840:	131,809:	177,244:	76,961:	35,681:	67,407
Singapore.....	64,558:	181,493:	219,468:	113,559:	71,161:	156,276
Hong Kong.....	241,315:	115,875:	168,855:	92,432:	46,290:	95,645
British Borneo..	20,220:2/		43,088:	21,842:	12,557:	24,252
United Kingdom..	2,680:3/		15,486:	5,285:	5,890:	9,207
Other Br.Territ..	0:	65,652:	3,489:	46:	0:	0
Total.....	635,613:	494,829:	627,630:	310,125:	171,579:	352,787
Japan.....	477,301:	333,453:	347,947:	304,373:	2,515:	68,839
Korea.....	99,815:	0:	0:	0:	0:	0
Indonesia.....	29,164:	57,832:	66,090:	0:	82,335:	107,965
Ceylon.....	0:	0:	12,306:	12,300:	0:	0
Philippines.....	0:	15,500:	56,525:	10,400:	250:	9,750
India.....	4,227:	3,300:	1,505:	1,503:	0:	0
New Guinea.....	4,005:2/		6,839:	2,889:	2,842:	4,785
Near East.....	7,352:	14,832:	7,375:	5,550:	3,390:	5,760
Africa.....	24,810:	6,135:	22,476:	14,364:	2,010:	3,725
Okinawa.....	500:	4,050:	21,910:	17,510:	2,225:	10,475
Macao.....	0:	12,383:	4,370:	-	100:	870
Netherlands.....	28,469:	31,675:	38,245:	24,305:	19,195:	33,725
Germany.....	5,000:	0:	1,015:	-	850:	3,700
Other Europe.....	546:	28,312:	1,434:	1,897:	796:	1,659
Canada.....	0:	23:	600:	-	1,015:	1,033
Other Countries...	19,417:	2,000:	15,350:	4,561:	39:	183
Total.....	1,336,219:	1,004,324:	1,231,617:	709,777:	289,141:	605,256

^{1/} Includes "rice flour". ^{2/} Included in "Other British Territories".

^{3/} If any, included in "Other countries".

Compiled from trade sources.

JAPAN IMPORTS
LESS RICE

Rice imports into Japan in the first half of 1956 were 553 million pounds, a decline of 21 percent from the same period of the preceding year. Forty-four percent of imports were from Burma as against 25 percent in January-June 1955. Rice imports from Spain, Egypt, Communist China and Italy also exceeded those of last year.

On the other hand, imports of rice from Thailand and the United States were only 22 and 13 percent, respectively, of imports in the corresponding months of 1955. A significant amount was imported from Uruguay as compared with none in the preceding year.

JAPAN: Rice imports, by country of origin, January-June 1956,
with comparisons

Country of origin	Average	1953	1954	1955 2/	January-June 2/	
	1935-39 1/				1955	1956
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
Thailand.....	30,845	423,893	379,648	346,566	260,731	58,124
Burma.....	907	199,739	326,914	243,175	176,280	242,350
United States.....	3/	177,672	345,718	262,622	112,743	14,400
Taiwan.....	693,550	54,031	43,357	190,000	80,000	40,000
Italy.....	0	27,465	67,356	65,873	18,915	32,001
Egypt.....	0	0	0	10,258	0	22,975
Spain.....	0	38,143	48,635	28,626	0	57,383
Pakistan.....	0	54,361	23,535	0	0	0
Uruguay.....	0	0	9,612	0	0	15,513
Peru.....	0	9,591	21,506	0	0	0
Australia.....	0	0	0	6,476	0	413
Communist China.....	0	0	75,213	123,714	49,629	69,375
Indochina.....	0	37,918	46,231	0	0	0
Korea.....	1,199,310	0	0	0	0	0
Other countries.....	907	56,275	44,558	0	0	0
Total.....	1,925,519	1,079,088	1,432,283	1,277,310	698,298	552,534

1/ Largely brown rice. 2/ Preliminary. 3/ Less than 500 tons.

Compiled from trade sources.

U. S. EXPORTS OF GRASS AND LEGUME
SEEDS TO SOUTH AMERICA TOTAL 2,319,000 POUNDS

Chile and Uruguay, two countries that are striving to improve their forage resources, were the principal buyers of U. S. grass and legume seeds in 1955-56, according to the reports of the Bureau of the Census. All of the South American countries, except Paraguay, were buyers, but the volume was small.

Chile and Uruguay were the largest buyers of alfalfa seed, the only kind of seed reported separately in the tabulations. Chile was the major buyer of clover seeds, while Uruguay and Argentina were the largest buyers of grass seeds.

Exports of grass and legume seed to South America totaled 2,319,000 pounds. Of this amount approximately one-half was grass seeds; 900,000 alfalfa and slightly over 300,000 pounds were of the various kinds of clovers.

Grass and Legume Seeds: U. S. exports to S. A. by
country of destination, 1955-56

Country	Total	Alfalfa	Clovers	Grasses
	- - - - - 1,000 pounds - - - - -			
Argentina.....	253	-	22	231
Bolivia.....	67	66	1	-
Brazil.....	26	12	-	14
Chile.....	810	569	232	9
Colombia.....	116	2	42	73
Ecuador.....	106	76	2	28
Peru.....	15	11	2	2
Uruguay.....	895	146	13	735
Venezuela.....	31	8	2	21
Total	2,319	890	316	1,113

MERION BLUEGRASS SEED
PRODUCED IN CANADA

Merion bluegrass seed production has expanded into Canada. A farmer in Southern Alberta is reported to have harvested 30,000 pounds of seed from 150 acres in 1956.

VEGETABLE SEED PRODUCTION IN TANGANYIKA

French beans are the major seed crop of Tanganyika, but a serious disease, "Oily pod", is discouraging production. Seed peas are produced in the highlands and production is expanding.

A seed certification scheme for stringless snap beans designed to meet the requirements of Australia has not shown the expected demand. However, a similar program for lettuce seed is being employed to meet the requirements of the U. K. Field inspection for mosaic disease is required.

AUSTRALIAN SHEARING TABLE TO BE MANUFACTURED IN U. S.

A Chicago corporation is planning to tool for the manufacture of the Cooper Mechanical Wool Shearing table recently introduced in Australia (see Foreign Crops and Markets, July 16, 1956, page 83). This mechanical shearing table was developed by John Borthwick, Queensland, Australia.

The introduction of the mechanical shearing table in Australia is considered a result of recent labor difficulties. However, a mechanical shearing table may prove to have more practical application in the United States than in Australia. Due to the higher cost of labor in the United States, efficiency in shearing assumes more importance. It is reported from Australia that the interest from the United States in the mechanical shearing table has been beyond expectations.

FOOT-AND-MOUTH DISEASE OUTBREAKS OCCUR IN BRITAIN

There were 56 outbreaks of foot-and-mouth disease in England, during the period August 8-21, the largest number in recent years. On August 21 the infected areas included the counties of Denbighshire, Derbyshire, Monmouthshire, Glamorgan and Nottinghamshire.

According to U. K. sources there were 69 outbreaks of foot-and-mouth disease in Great Britain during the January 1, 1956--September 22 period, compared with only 6 during the corresponding period last year. In 1956, there were 731 cattle, 6,138 sheep and 565 hogs destroyed in connection with their program to eradicate the disease. Urgent warnings have been given to farmers and slaughterhouse authorities to have all animals examined regularly for symptoms of the disease.

MEAT CONSUMPTION IN U. K. AT HIGH LEVEL

Meat consumption in the United Kingdom in January-June totaled about the same as a year earlier. Although both domestic production and imports increased in 1956, storage stocks did not change appreciably. During the first half of 1955 there was a sharp reduction in storage stocks, which increased consumption above the level indicated by production and imports.

The current high level of domestic production and imports suggests that meat consumption for the year as a whole will exceed 1955. Meat consumption in 1955 was greater than in any year since the beginning of World War II, and per capita consumption finally exceeded the level of prewar.

Domestic production of meat in the United Kingdom this year has been running moderately larger than a year earlier. Decreased pork production has been more than offset by larger output of the other meats. A continuation of these trends is expected in the remainder of the year.

Imports of meat by the United Kingdom during the first half of 1956 exceeded 1 billion pounds, around one-fifth larger than a year earlier. The larger imports were due mainly to increased imports of chilled beef from Argentina. Such imports were more than 4 times larger than a year earlier but were still 40 percent below 1938. Frozen beef exports from Argentina declined 25 percent from 1955 to 1956 while exports of chilled beef were rising. Prospects for coming months are for large supplies to be available for import from Argentina, New Zealand and Australia.

Meat consumption per person in the United Kingdom last year averaged 130 pounds (including variety meats), compared with 124 pounds a year earlier and 129 in prewar. Compared with prewar there has been a marked decline in consumption of beef, a moderate decline in consumption of bacon and ham and a slight decline in use of mutton and lamb. On the other hand there has been a sharp increase in consumption of imported canned meats and fresh pork. Consumption of fish, rabbit and game has continued considerably below the prewar rate. Consumption of poultry has remained at about the prewar level during the past few years.

United Kingdom: Per capita consumption of meat, poultry and fish,
Prewar and 1953-55

(Product weight basis)

Item	: Prewar	: 1953	: 1954	: 1955
	: - - - - - Pounds - - - - -			
Meat:				
Beef, bone in.....	53.2	36.5	43.0	44.3
Beef, boneless.....	1.7	.3	.9	1.9
Mutton and lamb.....	25.2	24.2	21.6	24.4
Pork.....	10.6	12.1	17.8	18.4
Variety meats.....	7.4	6.5	7.8	7.8
Canned meat (imported).....	3.1	6.3	7.6	8.5
Bacon and ham.....	28.1	24.9	25.0	25.1
Total.....	129.3	110.8	123.7	130.4
Poultry, game and fish:				
Poultry.....	5.1	5.3	5.0	5.1
Game and rabbit.....	3.7	1.9	1.1	.5
Fish (fresh, frozen and cured)....	21.8	18.8	18.4	19.1
Shell fish.....	.9	.7	.7	.7
Canned fish (imported).....	3.5	.9	1.8	1.6
Total.....	35.0	27.6	27.0	27.0
Grand total.....	164.3	138.4	150.7	157.4

AUSTRALIAN WOOL AUCTION
PRICES OPEN STRONG

The 1956-57 Australian wool-selling season opened at Sydney and Perth during the last week of August. Prices at the close of this first week of sales were 10 to 15 percent higher than the first week of sales in September 1955 and averaged about 4 percent above last season's closing prices in July.

During the first week of sales about 66,000 bales were sold at Sydney and 39,000 bales at Perth. Competition was particularly strong from the United Kingdom and Western Europe, and very little wool offered for sale was left unsold. Auctions scheduled during the same week at Melbourne were cancelled due to transportation difficulties resulting from floods. The Brisbane sale scheduled for the following week was cancelled because of a continuation of the shearing dispute.

Auctions at Adelaide were held on schedule during the second week of the selling season with 49,000 bales sold at slightly higher prices. Reports indicate that the second series of sales, held at Sydney during the third week of the season, closed with prices 5 to 9 cents per pound higher than the opening sales of August 27. The higher prices received at the Australian wool auctions may be attributed in part to the cancellation of the Melbourne and Brisbane sales, which limited the available supply, and the Near East situation.

AUSTRALIAN WOOL PRICES

Wool Prices: Average raw wool costs, clean basis, on Australian auction floors, by quality classification.

(Current prices with comparisons)

Type and Grade	Week Ended		
	8-31-56	7-13-56	Year ago 9-2-55
	- - - - - U.S. CENTS PER POUND - - - - -		
<u>Combining Wools</u>			
70's Good.....	* 152	* 148	* 133
Average.....	146	142	* 126
64's Good.....	137	133	* 116
Average.....	133	127	111
60's Good.....	* 122	* 117	* 105
Average.....	116	110	98
58's Good.....	* 107	* 104	* 97
Average.....	100	* 98	93
56's Good.....	* 93	* 91	* 92
Average.....	90	* 88	* 91
50's Good.....	* 81	* 78	* 86
Average.....	* 79	* 77	* 84
<u>Carding Wools</u>			
Merino.....	* 83	76	70
Comeback.....	* 73	* 67	65
Fine Crossbred.....	* 66	* 63	63
Medium Crossbred.....	* 64	* 61	* 63

* Nominal quotations.

Source: Wool Statistical Service, Australian Wool Bureau.

FOOT-AND-MOUTH DISEASE OCCURS IN WEST GERMANY

An outbreak of foot-and-mouth disease has occurred along the Dutch-German border. Both cattle and hogs were infected with type C virus, which seems to be the predominant type in most outbreaks on the continent. The West German government has destroyed the infected animals. The disease does not appear to be of epidemic proportion and further spread is not likely to occur because of precautions taken to control the disease. The owners are compensated for the destroyed animals by the government.

YUGOSLAV PRUNE PRODUCTION DOWN SHARPLY

The 1956 Yugoslav prune crop is now unofficially estimated at 130,000 short tons, fresh basis. This represents the smallest crop in the 35 years for which records are available. The crop last year was officially estimated at 996,000 short tons. Average production (1949-53) is 668,000 short tons.

A survey of the major prune-producing area of Serbia in early September revealed that a large proportion of the trees in the hill-lands adjacent to the Sava River had been killed by the February cold spell, and that the remaining trees were virtually without fruit in all the northern part of the prune-producing belt. One source has estimated that 5,000,000 trees were killed by freezing in Serbia alone. (In 1955 there were 38,800,000 bearing prune and plum trees in Serbia, accounting for two-thirds of Yugoslavia's prune and plum trees.) The loss for the entire country from winter-killing is tentatively forecast at 8,000,000 trees.

Official forecasts of dried prune production are not yet available. Trade sources, however, estimate that not over 3,000 tons of dried prunes will be available for export. The 1955 pack totalled 25,800 tons. Average dried prune production (1949-53) is 16,200 tons.

SHORT YUGOSLAV WALNUT CROP INDICATED

Unofficial walnut production forecasts from Yugoslavia indicate a near crop failure this year. A survey has indicated that most of the oncoming walnut crop was frozen in the February cold spell. Total production is now estimated at only 6,000 short tons, unshelled. By comparison, average total production (1949-53) is 41,000 tons. Yugoslav walnuts are of limited importance in international trade. Only about 10 percent of the crop is believed to enter commercial channels of which 1,000 to 2,000 tons have been exported annually.

FRENCH BEAN PRODUCTION LARGEST SINCE 1939

Dry edible bean production in France is estimated at 2.7 million bags in 1956. This is 17 percent larger than the 2.3 million bags produced in 1955 and the largest since 1939, when 2.8 million bags were produced. Between 1939 and 1956, French bean production fluctuated around the general level of 2.0 million bags.

France, although an exporter of beans, is a net importer of some 165,000 bags per year. Of this, the U. S. has supplied from 2,000 to 5,000 bags per year and the French territories of Africa have supplied most of the balance.

There are reasons to expect that the increase of French production this year may not greatly effect the net imports. Consumption is on the way back to the prewar level in France and several other European countries, as is indicated in the table below.

Based on the preliminary report of French bean production and normal imports, per capita disappearance in France in 1956-57 would be 6.6 pounds, which is still below the prewar average. Disappearance in several other European countries has nearly attained or surpassed their respective prewar levels.

BEANS, dry edible: Disappearance in Selected
countries of Western Europe 1935 to 1954.

5 Year Averages	U. K.	W. Germany	Netherlands	France
	- - - - - pounds per capita - - - - -			
1935-39.....	2.2	1.0	3.0	7.9
1940-44.....	2.9	1.8	1.5	6.1
1945-49.....	1.4	2.8	1.2	4.3
1950-54.....	2.6	1.0	2.6	5.2

MEXICO EAST COAST WINTER VEGETABLE PLANTING DELAYED

Heavy rains accompanying Hurricane Betsy delayed preparation of the tomato fields in the El Mante area of Mexico. This will delay planting of the crop. Since tomatoes in this area are grown under dry-land conditions, the planting season is short.

EUROPEAN POTATO CROP PROSPECTS GENERALLY BETTER THAN LAST YEAR.

France expects a bumper crop of potatoes this year and, for most commercial varieties, the minimum size has been raised from 1-1/2 to 1-3/4 inches.

The French late crop of potatoes is estimated to be 326 million cwt. compared to 290 million cwt. last year. This estimate does not include market gardens.

The Ministry of Agriculture in the United Kingdom reports widespread blight, and many waterlogged fields in the northern districts thus considerable losses are expected. Yields per acre for 1956 are estimated at 195 cwt. compared to 175 cwt. in 1955 and the 5-year average of 190 cwt.

The acreage of West German potatoes is about the same as last year. Yields of early potatoes were higher than last year and higher yields of late potatoes are expected. Damage from Colorado potato beetles was light but heavy infestations of late blight have been reported from many areas.

In Austria, the yield per acre of early potatoes was above last year due primarily to use of more certified seed and heavier fertilization. However, production was up only 2 percent because of a slight reduction in acreage. The condition of late potatoes at the end of July was slightly below conditions a year earlier.

The potato crop in Ireland is making excellent progress according to the Irish Department of Agriculture. Rains prevented spraying in some areas, which may cause losses from blight. The overall yield is expected to be higher than last year and growers are being encouraged to ensile surplus potatoes for livestock feed.

The Swedish potato crop is estimated by the Agricultural Marketing Board at 42 million cwt. which is almost 50 percent above last year's short crop.

The Belgian crop at 49 million cwt. is almost the same as last year, while the Danish crop at 38 million cwt. is almost 20 percent above last year.

AUSTRIAN APPLE CROP LARGER BUT QUALITY POOR

Apple production in Austria ranges from good to very good in most areas, but quality is below average due to scab and hail damage. Consequently, Austria's supply of fruit for processing will be increased but there may be a shortage of table apples this winter.

RECORD LARGE IRANIAN
RAISIN CROP FORECAST

Based on early-September indications, the 1956 Iranian raisin crop, estimated at 68,000 short tons, is expected to be the largest on record. Weather conditions during the growing season have been exceptionally favorable so that a greater harvest than was earlier anticipated is now in prospect. The 1955 production estimate has been revised upward to 66,000 tons. Average production (1949-53) is 46,000 tons.

Two important trends in the Iranian raisin picture have been (1) a gradual increase in the acreage of raisin varieties of grapes; and (2) a gradual improvement in the processing and packaging of raisins for export.

According to Iranian export statistics, 1955-56 season exports of raisins amounted to 42,000 short tons. An exportable surplus of 44,000 tons would be available in the 1956-57 season should the anticipated crop materialize. The 1955-56 volume of exports substantially exceeded the export movement in the preceding 2 seasons; in 1953-54, exports amounted to 34,318 short tons and in 1954-55, 29,281 tons.

TURKISH GOVERNMENT SETS
MINIMUM EXPORT PRICE
FOR FILBERTS

The Turkish Government has set a minimum export price for 1956-crop filbert kernels of 54.5 cents per pound, f.o.b. Turkish ports. This price is based on the official rate of exchange.

Exporters have attempted, thus far without success, to have the Turkish Government reduce this price in view of the exceptionally large crop in prospect.

Although the importing countries are showing some reluctance to buy filberts at this price, the Turkish market has been steady. As earlier reported, the Union of Filbert Co-operatives has been authorized by the Government to pay a grower support price of 23.5 cents per pound, unshelled basis. This is the same support level as for the 1955 crop which was less than half the size of the anticipated 1956 harvest.

It is reported from London that the Union of Cooperatives has been attempting to move the carryover of 1955-crop filberts, freshly cracked, at 42.5 to 45 cents per pound, shelled. This carryover is estimated at approximately 4,500 short tons, shelled basis. According to trade reports from Turkey, the Co-operative has also been trying to sell these stocks on a barter basis, with one deal of 2,000 tons of kernels for jute bags under consideration.

FINLAND INCREASES DAIRY EXPORTS AND DAIRY SUBSIDIES

Because of the poor feed year in 1955, milk production in Finland dropped (See Foreign Crops and Markets, February 6, 1956), accounting for a decrease in the export of dairy products. In fact, Finland became a net importer of butter in 1955, whereas it had been a net exporter in 1954. Only in cheese did Finland maintain its export status. With 1956 a much better year than 1955, a sizable surplus production has accumulated; and, once again, Finland will be a net exporter of dairy products. Butter exports will probably be in excess of 20 million pounds, while cheese exports are expected to jump from 25 million shipped in 1955 to 35 million in 1956. During the first 7 months of 1956, cheese exports totaled 13.4 million pounds, while butter shipments amounted to 15.4 million pounds.

Finland, as a temporary supplier of butter, has had to market its product at a low price, particularly on sales to the United Kingdom. The price obtained in April-July, the period during which most of the 15.4 million pounds of butter was shipped, was only 33.5 cents per pound. The Government paid an export subsidy of 39.4 cents per pound for this exporter butter. Authorizations for further exports to France and Germany contemplate subsidy payments of approximately 30 cents a pound, while sales to Britain will require subsidies of up to 41.4 cents per pound. These export subsidies are exclusive of the domestic subsidy incorporated in the cost of butter.

Furthermore, recent subsidies granted to dairymen for their cheese has added approximately \$5.5 million to the Finnish budget and increased the guaranteed prices of cheese to exporters as much as 10.7 cents per pound.

The Government export cheese subsidy, which represents the gap between the guaranteed export price and the prices generally obtainable in export markets was approximately 14.6 cents a pound on January 1, 1956. In May 1956, the subsidy was raised by another 5.9 cents per pound, because of the increase in the price of milk. This was in addition to the usual subsidy to farm producers of milk, which in January amounted to about 3.7 cents per pound of cheese and, in May to 10.6 cents a pound. The average subsidy for cheeses increased from 20.5 cents a pound to 30.4 cents per pound.

Prices guaranteed to exporters were raised to 65.9 - 69.0 cents a pound for Emmenthal-type cheese, an increase of 10.7 cents over the guaranteed prices prior to August 1, 1956. Processed cheeses, 45 percent fat, are now guaranteed in export at 71.0 cents a pound, an increase of 8.9 cents. Processed, butter-mixed cheeses, 60 percent butterfat, are guaranteed at 70.0 cents a pound, an increase of 5.8 cents.

Higher domestic prices had the effect of reducing the domestic consumption of cheese, leaving more for export. As a result, Finland will probably have to seek additional export outlets.

CHILE REDUCES SOME IMPORT DUTIES AND SUSPENDS OTHERS FOR ONE YEAR

Chile recently reduced import duties on lard and tallow which might make it possible for United States exporters to increase sales to that market. The suspension of duties on frozen meat and meat products also may open up that market to variety meats from the United States.

Import duties on lard and tallow have been cut 50 percent while the duty on frozen meat and meat products has been suspended for a year.

The reduction in import duties may be enough to stimulate U.S. exports of edible tallow to Chile. Normally, Argentina is the largest supplier. In late August the Argentine government announced a new and higher export quota for edible beef tallow which includes up to 20 percent of the production. Prior to August, tallow, in excess of domestic needs and permitted exports, was being used in the manufacture of soap.

Argentina has recently authorized unlimited lard exports which will make it difficult to move U.S. lard to Chile. Argentina apparently has from 6 to 6.5 million pounds of lard on hand. Importers in Chile have purchased 1.8 million pounds and have contracted for an additional .9 million pounds. In order to move Argentine lard to Chile, a new combination rate of exchange has been developed--one-half the quantity involved is figured at the convention dollar rate (18 Argentine pesos to \$1 U.S.) and the other half at the free market rate. When Argentina permitted larger lard exports, domestic lard prices rose from 7 to 14 pesos per kilo.

Exports of inedible tallows and greases from the United States to Chile have continued relatively large. January-June shipments totaled 4.4 million pounds compared with .5 million in the same period of 1955 and 7.0 million for the entire year. U.S. exports in 1956 totaled 4.9 million and were 12.3 million pounds in 1953.

The spread between prices of beef in the U.S. and Argentina is too wide for the U.S. to compete for the market in Chile. However, the U.S. can compete with Argentina in the sale of a number of variety meats. INVASA, the largest local packing plant in Chile, is not operating at capacity due to a shortage of slaughter animals. This firm formerly had an export trade in meat products and is interested in obtaining variety meat products for processing and re-export. Such products, produced from imported variety meats, could also be sold at reasonable prices in the domestic market.

FOOT-AND-MOUTH DISEASE REOCCURS IN PERU

A foot-and-mouth disease outbreak was reported during August on a farm in the Concepcion-Ataura livestock area of Peru near the town of Huancaayo. Infected premises and surrounding areas have been quarantined. Threatened animals are being vaccinated and a 30-day ban has been imposed on livestock movements in the infected area.

Diseased and exposed livestock are not required to be killed and buried in Peru, which is a usual measure employed in the eradication of the disease in some countries. Dairy farmers in the Lima area are also vaccinating their cattle as a precautionary measure.

CALCUTTA TO GET NEW MILK PLANT

Land has recently been acquired for the Calcutta Milk Plant to be built with funds furnished on an international co-operative basis through the auspices of the Food and Agriculture Organization. The participating countries are the United States, Australia, New Zealand and the Netherlands. The plant, with a capacity of 50,000 gallons per day, will be located near the Bengal State Veterinary College in northern Calcutta. The Milk Commissioner for Calcutta and other government officials plan a trip to Denmark, the Netherlands and possibly some other European countries to observe milk plants in operation before deciding on final plans for the Calcutta plant.

U. S. COTTON LINTERS EXPORTS UP SHARPLY IN 1955-56

United States exports of cotton linters, mostly chemical grades 5 to 7, amounted to 482,000 bales (500 pounds gross) in August-July 1955-56, increasing 55 percent over exports of 310,000 bales in 1954-55 and 69 percent higher than exports of 286,000 bales in 1953-54.

The increased export trade in linters is attributed to the release for export sale during the past year of large quantities of linters from stocks held by the Commodity Credit Corporation. Most of the increase was in exports to Western European countries, Japan, and Canada. Quantities exported during August-July 1955-56 with 1954-55 figures in parentheses were: Western Germany 127,000 bales (103,000); the United Kingdom 115,000 (67,000); France 97,000 (59,000); Japan 63,000 (36,000); the Netherlands 44,000 (11,000); and Canada 27,000 (23,000).

U. S. COTTON EXPORTS END
1955-56 SEASON WITH UPTURN

Exports of cotton from the United States in July 1956 amounted to 140,000 bales (500 pounds gross), more than double those for July of the previous year, continuing the upward trend in cotton exports which began in March 1956. This upturn was attributed to the special million-bale sale for exports of cotton of 15/16 inch and shorter staple from stocks of the Commodity Credit Corporation in January and February 1956.

Exports for the August-July 1955-56 season amounted to 2,320,000 bales of 500 pounds gross (2,215,000 running bales), which was considerably above earlier estimates, although the figure represents a 35 percent decline from exports of 3,585,000 bales (3,447,000 running bales) in 1954-55. (See export table on opposite page.)

Nearly all of the reduction in 1955-56 exports was in cotton shipments to Europe, which amounted to only 881,000 bales as compared with approximately 2,000,000 bales in each of the 2 preceding years and the postwar average (1945-49) of 2,545,000 bales. The loss in exports to the 4 major European cotton consuming countries, France, Western Germany, Italy, and the United Kingdom accounted for the greater part of the decline, although exports to the Netherlands also were sharply reduced. Exports to Canada declined by about 75 percent in the current period, amounting to only 75,000 bales as compared with 307,000 bales in 1954-55. Increased exports to Japan, 873,000 bales in 1955-56 compared to 678,000 in 1954-55, partially offset the loss of the Canadian market.

The low level of United States cotton exports in 1955-56 was attributed primarily to the relatively lower prices of other growths on foreign markets. Price differentials during most of the year ranged from 5 to 8 U. S. cents per pound. An official announcement in February 1956 that all qualities of cotton in United States Government stocks would be available at competitive-bid prices for export after August 1, 1956, also tended to retard export movement before that date.

Exports in 1956-57 are expected to be at least double those of the season just ended, as indicated by the sale to date of approximately 3,500,000 bales under the 1956-57 competitive-bid export program.

A more detailed report on United States cotton exports will be released as an FAS circular in the near future.

UNITED STATES: Exports of cotton by countries of destination,
averages 1935-39 and 1945-49; annual 1952-55

(Bales of 500 pounds gross)

Country of destination	Year beginning August 1					
	Average		1952	1953	1954	1955
	1935-39	1945-49				
	1,000 bales					
Austria.....	0	1/ 36	47	42	15	18
Belgium.....	169	131	73	68	66	30
Czechoslovakia.....	65	57	0	0	0	0
Denmark.....	33	14	34	23	21	3
Finland.....	35	21	4	10	13	16
France.....	662	575	507	475	416	178
Germany, West.....	511	340	241	389	350	74
Italy.....	442	489	272	269	249	105
Netherlands.....	107	131	79	104	95	17
Norway.....	17	7	11	14	12	2/
Poland and Danzig.....	180	69	0	0	0	1
Portugal.....	36	2/	1	0	11	5
Spain.....	108	69	77	167	197	143
Sweden.....	115	12	36	43	51	10
Switzerland.....	11	26	28	24	37	14
United Kingdom.....	1,346	488	359	422	421	153
Yugoslavia.....	17	47	86	40	103	110
Other Europe.....	31	3/ 33	6	10	9	4
Total Europe.....	3,885	2,545	1,861	2,100	2,066	881
Canada.....	301	275	284	237	307	75
Chile.....	9	20	1	27	10	14
Colombia.....	20	24	35	7	2	27
Cuba.....	11	16	12	20	19	11
India.....	52	86	45	161	61	9
China.....	117	401	0	0	0	0
French Indochina.....	22	6	18	16	0	0
Indonesia.....	2/	5	17	22	27	15
Japan.....	1,142	585	691	1,005	678	873
Korea, Republic of.....	4/	5/ 48	41	96	170	135
Taiwan (Formosa).....	4/	1	107	110	120	124
Australia.....	9	7	11	45	52	28
Other countries.....	21	46	6/ 58	7/ 68	8/ 73	9/ 128
Total 500-lb. bales.....	5,589	4,065	3,181	3,914	3,585	2,320
Total running bales.....	5,300	3,917	3,048	3,761	3,447	2,215

1/ 4-year average. 2/ Less than 500 bales. 3/ Includes Greece 21.

4/ If any, included in other countries. 5/ 3-year average. 6/ Republic of Philippines 16, Israel 14. 7/ Israel 12, Ethiopia 11. 8/ Israel 20, French Morocco 11. 9/ Hong Kong 45, Pakistan 19, Israel 15 and Bolivia 13.

Compiled from official records of the Bureau of the Census.

U. S. IMPORTS OF COTTON
DECLINE IN 1955-56

United States imports of cotton (for consumption) declined during August-July 1955-56, amounting to only 137,000 bales (500 pounds gross) or 9 percent below 1954-55 imports of 150,000 bales and 6 percent less than 1953-54 imports of 145,000 bales.

All cotton imported into the United States (for consumption) is subject to import quotas, which set the maximum annual amounts of each of the three major types that may be imported. Imports of the extra long staple Egyptian-type, and of the short staple Asiatic-type cottons, which are not produced in the United States in sufficient volume for domestic use, are subject to global quotas that establish the total amount to be imported regardless of the country of origin. Imports of Upland-type cotton are subject to country quotas based on average imports from such countries during a 5-year period prior to 1939. Quota years differ somewhat from the August-July marketing year, but actual imports generally are much lower than the quantities set by the quotas, as indicated in the table below.

UNITED STATES: Annual cotton import quotas compared with
cotton imports by type and staple length,
August-July 1954-55 and 1955-56.

(Bales of 500 pounds gross)				
Type and staple length	: Annual	:	Imports year	
	: import	:	beginning August 1	
	: quota <u>1/</u>	:	1954	1955
	:	:	--- 1,000 bales ---	
Asiatic type:	:	:	:	:
Under 3/4", harsh or rough.....	146	:	29	28
Upland type:	:	:	:	:
Under 1-1/8", except harsh or rough..	30	:	22	22
Egyptian type:	:	:	:	:
1-1/8" up to 1-11/16".....	95	:	79	72
1-11/16" and over.....	<u>2/</u>	:	20	15
Total.....	271	:	150	137

1/ Quota years differ from August-July year. 2/ Quota restriction removed in 1940 and re-established on July 1, 1956 as a part of the 95,000-bale quota for other staple lengths of Egyptian-type cotton.

Imports of Egyptian-type cotton are mostly from Egypt and Peru with a small quantity from the Sudan. Imports of Upland-type cotton are principally from Mexico with very small amounts from Brazil, India, Pakistan, and the U.S.S.R. Asiatic-type cotton is imported from India and Pakistan with small quantities from Burma in some years. Total quantities imported in recent years by country of origin are shown in the table on the opposite page.

UNITED STATES: Imports of cotton by countries of origin;
averages 1935-39 and 1945-49; annual 1952-55

(Bales of 500 pounds gross)

Country of origin	Year beginning August 1					
	Average		1952	1953	1954	1955
	1935-39	1945-49				
			--- 1,000 bales ---			
Brazil.....	3	1	0	2	1	1
China.....	<u>1/</u> 31	<u>2/</u> 3/	0	0	0	0
Egypt.....	63	103	117	77 <u>4/</u>	73	60
India.....	67	103	36	18	17	6
Mexico.....	23	19	19	17	20	22
Pakistan.....	<u>5/</u>	<u>6/</u> 12	8	14	11	22
Peru.....	1	<u>1/</u> 23	15	8	22	23
Sudan.....	<u>7/</u>	<u>1/</u> 4	1	7	3	2
U.S.S.R.....	<u>2/</u> 5	<u>6/</u> 1	0	1	1	1
Others.....	0	0	<u>3/</u>	1	2	<u>3/</u>
Total 8/	<u>9/</u> 185	<u>9/</u> 260	196	145	150	137

1/ 4-year average. 2/ 2-year average. 3/ Less than 500 bales. 4/ includes 147 bales transshipped via Italy. 5/ Included with India prior to partition in 1947. 6/ 3-year average. 7/ Included with Egypt prior to 1942. 8/ Includes small quantities which are reexported each year. 9/ Total does not add due to partial averages.

Compiled from official records of the Bureau of the Census.

CANADA'S COTTON CONSUMPTION
IN AUGUST SAME AS LAST YEAR

Canada's cotton consumption in August 1956 amounted to 32,000 bales (500 pounds gross), the same as in August 1955 and well above the seasonal July low of 20,000 bales. Last year's cotton consumption in Canada, 381,000 bales, represented the highest level attained since the 1950-51 season.

U. S. INCREASES IMPORTS OF COTTON LINTERS IN 1955-56

Increased quantities of cotton linters, mostly felting grades 1-4 inclusive, were imported by the United States in the August-July 1955-56 season, amounting to 206,000 bales (500 pounds gross) or 9 percent higher than 1954-55 imports of 189,000 bales and 24 percent above 1953-54 imports of 166,000 bales.

More than half of the United States linters imports are from Mexico and about 23 percent of the total quantity is imported from the U.S.S.R. Other linters imports are principally from Brazil and other Latin-American countries.

Quantities imported from major sources during 1955-56, with comparable 1954-55 figures in parentheses were: Mexico 136,000 bales (107,000); U.S.S.R. 47,000 (32,000); Brazil 7,000 (24,000); Belgium 5,000 (1,000); El Salvador 4,000 (4,000); Peru 2,000 (3,000); Nicaragua 2,000 (1,000); Germany 1,000 (none); and Guatemala 1,000 (10,000).

PHILIPPINE COPRA EXPORTS UP SHARPLY IN AUGUST

Philippine exports of copra in August increased nearly one-third from the previous month, while exports of coconut oil decreased over one-third. Prices in mid-September remained essentially the same as a month earlier.

The August export volume, equivalent in terms of copra to 105,651 long tons, reflected a gain of 16 percent from a month earlier and a gain of 27 percent from August 1955. Cumulative shipments of copra and coconut oil in the January-August period totaled 719,368 tons copra equivalent, roughly 30 percent more than the 558,999 tons in the corresponding period of 1955.

Copra exports in August, totaling 92,681 tons, again - as in recent months - went predominantly to Europe. By destination and quantity, they were as follows: United States - 22,935 tons (Pacific Coast only); Belgium - 1,500; Denmark - 5,150; Germany - 7,500; Italy - 3,150; Netherlands - 29,135; Sweden - 1,250; Europe, unspecified - 13,776; Lebanon - 900; Colombia - 5,850; Venezuela - 1,000; South America, unspecified - 535. January-August copra exports at 612,697 tons were up one-fourth from the 488,962 tons exported in the comparable period of 1955.

Coconut oil exports in August totaled 8,171 tons. Shipments were as follows: United States - 7,157 tons (Pacific - 252, Atlantic - 6,905); Cuba - 300; Europe unspecified - 714. Revised figures for July coconut oil shipments show a total of 12,458 tons of which 11,141 tons went to the United States - all to the Atlantic Coast.

The copra export price in mid-September was \$148.00 per short ton c.i.f. Pacific Coast (mid-August \$152.50; mid-July \$146.00 to \$147.50; and mid-June \$147.50). Local buying prices were reported at 24 to 26 pesos per 100 kilograms (\$121.93 to \$132.09 per long ton) resecada Manila and producing areas.

MALAYA'S COPRA EXPORTS DECLINE
SHARPLY; COCONUT OIL EXPORTS UP

Malaya's copra export trade continues to decline although coconut oil exports have been rising. Shipments of copra, January through June 1956, totaled only 10,220 long tons, less than one-half the tonnage exported in the comparable period of 1955. This level of exports represents only one-tenth of the average annual prewar copra shipments from Malaya. The sharp decline is due to the fact that the local oil mills are now taking nearly all the copra supplies. The inability of exporters to outbid the oil mills for the limited copra supplies, the increasing freight rates over and above direct shipments from producing areas, and the increasing handling costs in the entrepot ports of Singapore and Penang may soon eliminate a once thriving business.

Table 1-MALAYA: Copra exports and imports, average 1935-39, annual 1954-55, and January-June 1955-56

(Long tons)					
Country	Average	1954	1955 <u>1/</u>	January-June	
	1935-39			1955 <u>1/</u>	1956 <u>1/</u>
<u>Exports</u>					
Denmark.....	2,050:	4,350:	2,600:	1,900:	600
France.....	8,578:	4,100:	1,948:	998:	530
Italy.....	11,322:	3,550:	150:	100:	150
Netherlands.....	28,956:	10,337:	12,695:	7,620:	1,250
Norway.....	4,703:	300:	1,375:	1,125:	-
Poland.....	3,358:	1,500:	-	-	800
Spain.....	-	561:	9,917:	4,852:	3,650
Sweden.....	1,850:	12,525:	1,600:	1,600:	-
United Kingdom.....	57,750:	100:	-	-	-
Western Germany..... <u>2/</u>	46,384:	6,622:	3,898:	3,098:	700
Other Europe..... <u>3/</u>	2,825:	4,222: <u>4/</u>	1,800:	-	1,250
India.....	535:	13,166:	1,247:	242:	582
Japan.....	2,483:	-	-	-	-
Other Asia.....	959:	2,754:	4,826:	2,757:	659
Other countries.....	19,938:	811:	363:	363:	49
Total.....	191,691:	64,898:	42,419:	24,655:	10,220
<u>Imports</u>					
British possessions.....	10,617:	4,396:	1,966:	960:	2,181
Indonesia.....	105,500:	117,744:	113,531:	56,209:	49,481
Other countries.....	2,134: <u>5/</u>	10,229:	1,998:	1,492:	483
Total	118,251:	132,369:	117,495:	58,661:	52,145

1/ Preliminary. 2/ Total Germany. 3/ Includes 3,487 tons to Finland.

4/ All to Finland. 5/ Includes 4,989 tons from Thailand.

Compiled from official statistics.

It is difficult to determine to what extent Malaya must depend on smuggled copra, but contraband supplies appear to be a large part of the total. Barter trade with the small area in Sumatra, where such trade is permitted, has been unsatisfactory. The past policy of the Indonesian Copra Foundation was to keep copra from Singapore. However, Malayan traders believe that the establishment of the proposed Central Copra Cooperative in Indonesia, that will succeed the recently dissolved Copra Foundation (see Foreign Crops and Markets, August 6, 1956), may improve their chances of securing more Indonesian copra.

Table 2 - MALAYA: Coconut oil exports and imports, average 1935-39, annual 1954-55, and January-June 1955-56

(Long tons)					
Country	Average 1935-39	1954	1955 <u>1/</u>	January-June	
				1955 <u>1/</u>	1956 <u>1/</u>
<u>Exports</u>					
France.....	100	-	1,938	726	1,027
Italy.....	20	6,253	10,049	5,558	2,820
Netherlands.....	822	2,403	10,663	3,455	6,896
Sweden.....	185	1,739	2,007	816	1,415
United Kingdom.....	8,857	2,506	15,343	4,345	10,719
Western Germany.....	100	2,952	8,971	3,737	2,918
Other Europe.....	190	<u>2/</u> 990	1,025	409	<u>3/</u> 7,602
Burma.....	3,908	26,029	6,481	3,228	2,469
China.....	2,028	19,757	14,974	9,475	500
Formosa.....	-	924	787	443	9
Hong Kong.....	1,391	890	1,434	397	874
India.....	22,500	11,847	11,559	5,542	4,355
Indonesia.....	3,119	171	231	114	125
Pakistan.....	-	385	867	436	51
Egypt.....	3,295	813	926	321	1,441
Union of South Africa..	325	601	2,676	942	2,186
Other countries.....	269	966	1,895	744	1,132
Total.....	47,109	79,226	91,826	40,688	46,539
<u>Imports</u>					
British possessions....	16	460	562	205	233
Indonesia.....	328	258	89	38	8
Other countries.....	229	-	-	-	-
Total.....	573	718	651	243	241

1/ Preliminary. 2/ All to Yugoslavia. 3/ Includes 6,900 tons to U.S.S.R. and 202 tons to Yugoslavia.

Compiled from official statistics.

The Malayan Government still will not approve the oil mills' request for dollar exchange allocations for purchases of Philippine copra. Approval not only would permit them to operate their mills at capacity but would also give them a better bargaining position in buying Indonesian copra.

Coconut oil exports during January-June 1956 increased 14 percent from the comparable period of 1955. The United Kingdom has become an increasingly major market for Malayan coconut oil, taking almost one-fourth of the total exports during the first half of the current year. China, dropped out of the market in the first part of the year and was succeeded by the Soviet Union, which is now for the first time an important market for Malayan coconut oil. Purchases of 6,900 tons by the Soviet Union during January-June represented about 15 percent of the total oil exports.

Consumption of vegetable oils has been increasing in Malaya due to the population increase and expanded use in industry. Soap production has gone up and imports have declined. However, this increase may be slowed down as synthetic detergents are making inroads on the soap market. It is estimated that synthetic detergents have captured over 10 percent of the market for washing products. The production of edible oils, margarine, and vegetable ghee also is expanding.

INDONESIA REPORTS SHARP DROP IN COPRA EXPORTS

Indonesia's reported exports of copra during January-June 1956 amounted to 84,914 gross long tons. This was 21 percent less than exports in the comparable period of 1955. The total quantity actually shipped from Indonesia, however, apparently is much higher than official figures indicate in view of the heavy smuggling that is said to have been increasing considerably in recent months. Unofficial sources report that in one area alone -- from Sulawesi to British North Borneo -- not less than 10,000 tons of copra is being smuggled every month. The copra is then re-exported to Hong Kong and Singapore.

Of the 84,914 tons of copra officially reported, the largest quantity -- 23,296 tons -- went to Singapore. Other major markets were Japan - 19,245 tons; Communist China - 9,842 tons; the Netherlands - 8,897 tons; and Denmark - 5,984 tons.

Copra cake exports of 63,021 long tons in the first half of the year were 12 percent lower than in the first half of 1955.

In an effort to stimulate the exports of "weak" commodities, Indonesia instituted a system of export inducement certificates in August 1956 for certain commodities, including copra. (For details, see "Indonesia's Production of Palm Products Down; Exports Up Sharply", on the following page.)

INDONESIA'S PRODUCTION OF PALM OIL, KERNELS DOWN; EXPORTS UP SHARPLY

Indonesia's production of palm oil during January-June 1956 is reported at 83,345 short tons, a decline of 4 percent from the corresponding period of 1955. Palm kernel production at 20,885 tons was down 5 percent.

Exports of palm oil and kernels, however, have been considerably higher this year. Palm Oil exports of 61,626 tons were up 56 percent from 1955. Purchases by the Netherlands, which accounted for over one-half of the total, were more than double the tonnage taken by that country in the first 6 months of 1955. And Japan, taking 29 percent of the total in January-June this year, increased her purchases by almost one-fourth.

Palm kernel exports at 20,396 tons in the first 6 months of 1956 increased 10 percent from 1955. The expansion was due almost entirely to the approximately 80 percent increase in quantity taken by Japan, by far the major market for Indonesian kernels since 1954.

In an effort to stimulate the exports of "weak" commodities, Indonesia instituted a system of export inducement certificates in August 1956. These are given for the export of certain commodities and may be used to pay for certain imports or be sold on the market. The following inducements for the exports of fats and oils are being given: palm kernels - 5 percent; copra - 10 percent; peanuts - 15 percent; and grated copra - 15 percent. As yet it is too early to judge the effectiveness of this system. Much will depend on the cash value of the export certificates.

INDIA PLANTATION COMMISSION MAKES RECOMMENDATIONS FOR TEA INDUSTRY

A Plantation Enquiry Commission was appointed by the Government of India in 1954 to make a comprehensive study of economic conditions and problems of Tea, Coffee and Rubber plantations. This Commission was made up of Mr. P. M. Menon, Indian Civil Service, Chairman, Mr. K. G. Sivaswamy and Professor M. V. Mathur.

The Commission's report on the Tea Industry has just been submitted to the Government for examination. It recommends reduction in the internal price of tea to increase domestic consumption, creation of a tea replanting fund, setting up of a labor welfare organization, abolition of the export quota system, decrease in remuneration of the managing agents, and payment of a consolidated salary instead of a commission to the managers. The report specified that the tea selling and buying brokers should not be connected in any way with the management; neither should the major shareholders in the tea gardens be connected with the trading or export of tea. The report also suggests increased Indianization of management personnel.

The report states that the average economic life of a tea bush is about 60 years and that the productive life of 29 percent of the bushes in the tea gardens would be over within another 5 years' time. In order to forestall this loss and to maintain production for the future, the report suggests that each grower should contribute Rs. 50 per acre annually to a replanting fund that will be under the control of the Indian Tea Board.

The Commission also recommended the abolition of differential rates of excise duty on packed and loose tea, and restoration of the old uniform rate of 3 annas per pound on all teas. The effect of a higher rate of duty on tea sold in packages compared to a lower one for loose tea has been to stimulate the sale of the loose tea, which is in a more undesirable and less hygienic form for marketing.

Another recommendation by the Commission is the abolition of the tax of 1 anna per pound levied on all tea consigned to any dealer in Calcutta and the districts of 24 Parganas and Howrah. It considers this tax inconsistent with the government's policy of trying to encourage the sale of tea through the auctions in Calcutta rather than in the London auctions.

The tea industry is the largest employer of organized labor in India. It employs over one million workers. The labor welfare activity in the tea industry has not kept pace with the changing times. Therefore, the Commission has recommended that a plantation labor welfare organization be set up under the control of the Central government.

The Commission estimates the sum of Rs. 600 million will be necessary to provide housing for all tea laborers, both in the North and South of India. At the present time many of the small tea gardens do not provide housing for their tea laborers. In order to build housing, the tea plantation industry should be made eligible to obtain loans from the government under the Industrial Housing Scheme.

The report recommends provisions for financial help in an abundant measure to the tea industry, especially the Tea Estates owned by Indians. Some of this financing could be provided by the State Bank of India through branches that would be set up in the tea plantation areas, and the long term financing could be provided by the Industrial Finance Corporation as well as the State Financial Corporations.

The report reveals that thirteen leading management agency houses in Calcutta control 75 percent of the tea produced in North India. Of these companies, 7 control more than 50 percent and 5 companies about 36 percent of the production. The retail distribution of tea in India is controlled by 2 leading firms to the extent of 85 percent of the total tea sold. Eight agency Houses of producers in Calcutta and their associate firms purchased over 50 percent of the tea at the Calcutta auctions in 1954.

The Commission has forecast in its report that tea production in India will increase by 45.5 million pounds at the end of the Second Five Year Plan compared to the present annual production. This would raise the total annual production to 710 million pounds per year compared to the present annual production of about 664.5 million pounds.

The cost of production of a pound of average good quality Indian tea for domestic consumption is about Rs. 1-6-0 according to the Commission's report. A pound of this kind of tea cannot be bought for less than 3 Rupees in Calcutta. If internal prices are to be brought down, not only the cost of production must be reduced, but the blenders must reduce their overheads and profits, according to the Commission.

JULY EXPORTS OF U.S. GRASS AND LEGUME SEEDS CONTINUE AT HIGH LEVELS

July exports of U.S. grass and legume seed continued at above normal levels and were 4 times greater than in July, 1955. This partly reflects the short harvests in Europe and the expanding efforts to improve forage resources in many parts of the world.

France, United Kingdom, the Netherlands and Italy were the principal European buyers, although Canada and Mexico were also heavy buyers.

Grass and Legume Seeds: U.S. exports, July 1956, with comparisons

Kind of Seed	July 1956	July 1955	July 1954	July 1953
	1,000 pounds			
Alfalfa.....	116	148	64	129
Alsike.....	43	10	11	41
Clover, other.....	228	27	39	8
Timothy.....	50	36	0	0
Kentucky Bluegrass.....	26	10	0	0
Red Top.....	24	0	0	0
Fescue.....	441	39	76	59
Grasses, other.....	613	114	1,422	46
Total.....	1,541	384	1,612	283

ITALY ACTS TO DISPOSE
OF SOFT WHEAT SURPLUS

Due to large carryover stocks of soft (non-durum) wheat, Italy this year is looking for export markets for that kind of wheat. An Italian government decree of August 7, 1956, provides for the establishment of an agency to devise and put into operation programs for disposing of such quantities of soft wheat held by the Government at the end of the 1955-56 season as are considered to be in excess of domestic food consumption requirements during 1956-57. The High Commission for Food has announced that the various Ministries are in agreement with respect to the necessity of finding export outlets during 1956-57 for 1.0 million metric tons of soft wheat.

The August 7 decree provides that the High Commission for Food in collaboration with the Ministry of Agriculture shall decide how much of the soft wheat held by the Government on June 30, 1956 should be considered as being in excess of domestic requirements for the current 1956-57 season. The Committee is then authorized to dispose of the surplus by various means. These include export sales, barter of soft wheat from Government pools for durum, sales of government held soft wheat to millers at world prices to compensate for Italian exports of pasta products and wheat flour, and diversion of some of the soft wheat for use as livestock feed or other purposes.

Trade reports indicate that for the time being efforts will be directed mainly toward the sale or barter of soft wheat in amounts sufficiently large to cover the cost of imported wheat. Consideration is currently being given to the exportation of 800,000 metric tons of soft wheat in the form of grain and an additional 200,000 tons in the form of wheat flour. Thus far, limited amounts have been sold to Hungary and Tunisia, the shipments in both cases to be repaid with durum wheat. Negotiations are underway for sales to France on a similar barter basis and for sales to Egypt, the latter probably in exchange for cotton. There is also a possibility of a large shipment of wheat flour to Ceylon.

Consumption of pasta products made from durum wheat is increasing in Italy while consumption of bread is declining. Italy's wheat situation during 1955-56 was characterized by a shortage of durum and a surplus of soft wheat. Durum wheat requirements range from 1.8 to 2.0 million metric tons annually. In comparison, domestic production of durum this year is estimated at 1.4 million tons compared with 1.6 million tons last year. The High Commission for Food reports that of Italy's total wheat imports of 610,000 metric tons in 1955-56, more than 301,000 tons, or approximately 50 percent, consisted of durum, mostly from Turkey, Canada and Argentina.

The pasta industry estimates that it will need to import from 300,000 to 400,000 tons of durum to meet requirements during 1956-57. The Government, therefore, is on the lookout for possible barter deals - that is, durum wheat for Italian soft wheat. Should it become apparent that durum wheat is unavailable on world markets, consideration will be given to hard wheats, such as U.S. Dark Hard Winter. The High Commission for Food has already indicated that there might be a market in Italy this year for 100,000 to 200,000 tons of U.S. Dark Hard Winter.

NEAR-RECORD WORLD BREADGRAIN CROP FORECAST

World production of breadgrains in 1956 will be the same as the large 1955 outturn, according to preliminary estimates of the Foreign Agricultural Service. The total for wheat and rye, estimated at 263 million short tons, equals the large 1955 total, with a substantial increase in wheat offset by a reduction in rye. The preliminary estimate of 7,510 million bushels for wheat is at a record level. Rye production of 1,355 million bushels, in contrast, is the smallest outturn since 1945.

Present forecasts are necessarily of a tentative nature since seeding of these crops in Southern Hemisphere countries has only recently been completed, and growing conditions between now and December 1 will play a large part in determining the outturn in those areas. Reliable information is also lacking for some important producing countries of the Northern Hemisphere.

The increase over the 1955 wheat production is due to larger acreage. Some increase in wheat acreage is noted for all continents except Europe and Oceania. In those two areas significant reductions occurred. In Europe this was attributed to heavy winter-kill, which made re-seeding of a considerable acreage necessary, especially in France and the Low Countries. A good part of that acreage was re-seeded to coarse grains and plentiful feed grains supplies are reported as a result of the shift. The reduction in Australia was caused by prolonged wet weather, which made seeding of the planned acreage impossible.

The reduced crop in Europe will increase import needs for wheat in parts of this important import area. It will also to a large extent take France out of the export market for the current season. That country, which has become increasingly important in the wheat export field, exported a total of about 100 million bushels last year. Conditions in other minor exporting countries are varied. Turkey's crop is estimated to be about 10 percent less than the large 1955 crop. In both Syria and Sweden wheat production is sharply above the comparatively low level of the past year. In Sweden, though the crop is large, the quality of winter wheat, which accounts for more than half the total, is expected to be below normal.

Record supplies of wheat are available in the main exporting countries. Total stocks in the United States, Canada, Argentina, and Australia on July 1 were estimated at 1,886 million bushels, 5 million above the previous record for stocks last year. In addition, wheat crops harvested recently in the United States and Canada were larger than the 1955 harvests, adding to the increase over last year's supply. Mid-season stocks were at a near-record level in Australia, but were below average in Argentina.

Wheat production in North America is 85 million bushels larger than in 1955. Larger outturns are reported for all countries of the area, but the largest numerical change was in the United States, where the latest estimate of 967 million bushels is 30 million bushels above the 1955 outturn. It is, with the exception of the 1955 crop, the smallest harvest since 1943. The bulk of the increase over last year's crop is in winter wheat, though spring wheat also shows a moderate increase. Winter wheat this year is estimated at 722 million bushels and spring wheat at 245 million.

Canada's 1956 wheat crop is currently forecast at 512 million bushels, which is 4 percent above the 1955 production and 10 percent above the 1946-55 average. The forecast, based on conditions up to August 15, is dependent on continuation of favorable weather conditions throughout the remainder of the growing and harvesting season. The increase over the 1955 harvest is attributed to expected higher yields. Acreage for harvest is slightly less than in 1955. Yields, however, were expected to average a bushel an acre higher than last year.

An all-time record crop of 40 million bushels is reported for Mexico, the third ranking producer of the area. Both acreage and yields are significantly larger than the high level of 1955.

Rye production in North America is about 30 percent less than the outturn a year ago. Somewhat smaller acreage and yields in the United States and Canada account for the reduction.

Wheat production in Western Europe is tentatively estimated at about 13 percent less than the 1955 total. Estimates for Europe are less firm than usual at this time of year, since the season is late and unfavorable weather has held up harvesting. Undoubtedly, quality of the grain will be lowered in a number of countries. The bulk of the reduction from the 1955 level is in France, where winter damage was the heaviest of the European countries. Tentative estimates place that country's harvest at 240 million bushels, 37 percent below the large 1955 production. Production is also somewhat lower in Italy, Yugoslavia, Switzerland, and the Low Countries. In Spain, Portugal, Greece, the United Kingdom, and Sweden the outturns are reported larger than in 1955.

Production of rye in Western Europe on the basis of preliminary estimates will be slightly larger than the 1955 crop. A slight increase in Western Germany is the principal change from the 1955 outturns. That increase is attributed to some increase in acreage and to slightly higher yields.

In most areas of Eastern Europe conditions were less favorable than in 1955 and the total for wheat is estimated to be 5 percent less than in 1955 despite a slight increase in acreage. Rye production is also estimated to be smaller. This is an important rye producing area, Poland, Eastern Germany, and Czechoslovakia being among the ranking rye producers of Europe.

(Text continued on page 39)

WHEAT: Acreage, yield per acre, and production in specified countries, year of harvest, average 1935-39 and 1945-49, annual 1954-56 1/

Continent and country	Acreage 2/			Yield per acre 3/			Production		
	Average			Average			Average		
	1935-39	1945-49	1954	1935-39	1945-49	1954	1935-39	1945-49	1954
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA									
Canada	25,595	24,558	24,267	21,506	21,340	21,340	312,399	362,774	308,909
United States	1,244	1,244	1,244	1,977	1,977	1,977	14,284	15,522	30,840
Estimated total 5/	26,839	25,802	25,511	23,483	23,317	23,317	326,683	378,296	339,749
EUROPE									
Austria	630	528	588	604	610	610	15,942	10,800	16,600
Belgium	394	371	455	472	457	457	15,887	14,733	21,140
Denmark	319	175	211	170	163	163	14,470	8,704	10,730
Finland	230	420	400	340	-	-	6,100	8,966	10,000
France	12,560	10,354	11,100	11,300	-	-	286,505	238,200	382,220
Germany	2,785	2,283	2,731	2,875	2,825	2,825	92,400	67,420	106,260
Greece	2,172	1,917	2,540	2,570	2,619	2,619	30,425	24,750	44,800
Ireland	225	561	486	340	340	340	7,689	17,746	18,250
Italy	12,577	11,742	12,100	12,300	12,300	12,300	278,366	227,200	267,600
Luxembourg	471	321	481	441	-	-	1,215	800	1,500
Netherlands	333	262	272	221	212	212	15,217	11,109	14,570
Norway	80	91	501	49	49	49	2,391	2,670	1,510
Portugal	1,720	1,665	1,925	1,918	-	-	18,400	14,190	17,270
Spain	11,253	9,640	10,536	10,536	10,625	10,625	161,571	116,700	180,000
Sweden	740	749	1,068	875	981	981	6,050	23,222	37,490
Switzerland	183	223	231	236	185	185	32,0	7,800	11,030
United Kingdom	1,843	2,148	2,457	1,948	2,282	2,282	62,361	77,505	103,890
Yugoslavia	5,400	-	-	4,700	4,100	4,100	91,700	-	-
Estimated total 5/	53,500	47,590	52,140	51,520	47,130	47,130	1,136,000	947,000	1,380,000
Other Europe, estimated									
total 1/	21,350	18,530	20,600	21,140	21,300	21,300	464,000	316,000	415,000
Estimated total, all Europe 5/	74,850	66,120	72,740	72,660	68,430	68,430	1,600,000	1,263,000	1,795,000
U.S.S.R. (Europe and Asia)	104,000	82,200	-	-	-	-	1,240,000	885,000	-

RIZ: Acreage, yield per acre, and production in specified countries, year of harvest, average 1935-39 and 1945-49, annual 1954-56 1/

Continent and country	Acreage 2/			Yield per acre 3/			Production		
	Average			Average			Average		
	1935-39	1945-49	1954	1935-39	1945-49	1954	1935-39	1945-49	1954
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA									
Canada	816	1,192	850	557	11.3	16.7	13.182	14.176	14.744
United States	3,699	1,810	1,795	1,724	12.1	12.3	44,917	22,336	29,678
Total	4,515	3,002	2,645	2,281	-	-	58,108	35,518	44,422
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
EUROPE									
Austria	881	616	539	529	23.4	19.9	20,611	12,260	14,550
Belgium	401	259	203	167	37.4	36.3	15,016	9,410	9,630
Denmark	354	379	277	267	28.2	34.2	9,373	12,958	10,900
Finland	500	376	245	230	24.6	21.2	12,300	7,960	5,750
France	1,613	1,202	1,001	927	18.6	17.2	29,993	17,300	17,300
Western Germany	4,080	3,480	3,780	3,643	29.2	28.4	119,000	98,900	161,330
Greece	163	130	152	132	13.8	12.8	2,244	1,664	2,250
Italy	256	253	220	198	17.9	17.9	5,580	4,520	4,920
Luxembourg	18	15	14	13	25.7	26.3	462	395	427
Netherlands	560	492	413	422	36.4	31.5	20,394	15,520	20,190
Norway	13	4	2	2	31.2	32.8	405	131	59
Portugal	620	680	637	631	8.9	8.0	5,500	5,460	7,480
Spain	1,404	1,553	1,515	1,433	13.1	13.7	18,363	17,117	20,690
Sweden	495	363	368	306	30.0	28.4	14,828	10,323	11,840
Switzerland	38	32	37	36	33.2	33.9	1,260	1,081	1,775
United Kingdom	17	59	44	25	23.9	30.0	406	1,766	1,560
Yugoslavia	633	10	10,100	9,560	13.4	14.9	8,500	-	10,300
Estimated total 5/	12,050	10,480	10,100	9,560	-	-	285,000	228,000	300,000
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
Other Europe, estimated									
Total 7/	21,620	17,360	18,690	18,730	-	-	481,000	337,000	400,000
Estimated total, all Europe 5/	33,670	27,840	28,790	28,290	-	-	766,000	565,000	700,000
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
U.S.S.R. (Europe and Asia)	60,800	72,300	-	-	14.6	12.4	885,000	895,000	-
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
ASIA									
Turkey	939	1,017	1,515	1,673	15.2	13.5	14,301	13,679	17,320
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
SOUTH AMERICA									
Argentina	1,078	1,601	2,743	-	9.1	9.3	9,771	14,944	33,230
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
AFRICA									
Union of South Africa	117	197	-	-	6.8	4.9	794	973	-
	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels
Estimated world total 5/	101,270	106,210	88,140	82,680	-	-	11,732,000	11,530,000	14,850,000

1/ Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow; thus, the crop harvested in the Northern Hemisphere in 1956 is combined with preliminary forecasts for the Southern Hemisphere harvests, which will begin late in 1956 and early in 1957. 2/ Figures refer to harvested areas as far as possible. 3/ Yield per acre calculated from acreage and production data shown, except for incomplete periods. 4/ Preliminary estimates for Northern Hemisphere countries; for Southern Hemisphere, preliminary forecasts based largely on acreage and weather conditions to date. 5/ Figure for 1935 only. 6/ Estimated totals, which in the case of production are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown. 7/ Comprises Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland and Rumania. 8/ Average of less than 5 years.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research, or other information. Praver estimates for countries having changed boundaries have been adjusted to conform to present boundaries.

A large breadgrain crop in the Soviet Union is being harvested under difficulties, which may reduce the total outturn. Despite that handicap, the Soviet wheat crop is expected to be well above the large 1955 crop. A substantial increase reported in spring wheat acreage was partly offset by heavy winter-kill in the winter wheat area, leaving a net increase of around 5 million acres. Yields on harvested acreage appear around average in the winter wheat belt, and are very good in the spring wheat belt beyond the Volga and the Urals. In those areas, where a large expansion of wheat acreage has taken place on the so-called new lands during the past 2 years, a severe drought reduced yields last year. Delays in harvesting in many of these regions have resulted in considerable losses of ripe grain still in the fields. Inadequate storage facilities add to the harvesting difficulties. A somewhat smaller rye production is expected, mainly because of reduced acreage.

Wheat production in Asia is estimated to be about the same as in 1955. Significant changes within the area are noted, with reductions in Turkey, India, and Japan offset by substantial increases in Pakistan, Syria, and Iraq where crops were small last year. Turkey's crop, though smaller than the large 1955 harvest, is still well above average. Turkey is the only rye producer of importance in the area. Preliminary estimates place this year's outturn slightly above the 1955 production because of increased acreage.

In Africa wheat production is estimated to be larger than in 1955. Increases in Algeria, Egypt, French Morocco and Tunisia account for most of the gain. Acreage was larger and yields better in most of the countries. Rye is of no significance in the area.

It is early in the season for a reliable indication of prospects for the Southern Hemisphere. The crop recently seeded in South America appears to be off to a good start. Conditions have been generally favorable in Argentina, and the present outlook is for a somewhat larger production than in 1955. The acreage seeded this year is well above the seeded acreage last year, according to official estimates. Rye production may be at the same level as in 1955, on the basis of present information.

The outlook for the wheat crop in Australia is relatively unfavorable. Seeding of the current crop was seriously delayed because of extremely wet conditions. Total wheat acreage, as a consequence, is some 20 percent less than in 1955. Conditions have been least favorable in New South Wales and Victoria and best in Western Australia, where seeding was normal and conditions generally favorable. Rye is of very minor importance in Australia.

